



DMHC Compliance Workshop

Division of Licensing Overview

Crystal Chen

Staff Counsel

Health Plan Oversight – Division of Licensing

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CA Association of Dental Plans



DOL's Mission

- Timely and efficient filing review
- Assure legally sufficient documentation in compliance with the Knox-Keene Act:
 - Plan organization,
 - Disclosure,
 - Benefits

DOL's 2007 Filing Statistics

- Division of Licensing 2007:
 - 1521 Amendment filings
 - Average – 30 days
 - 383 Notice of Material Modifications
 - Average – 56 days
 - 11 Applications for Licensure
 - Average – 267 days**
- Dental Filings 2007:
 - 129 Amendment filings
 - Average – 24 days
 - 63 Notice of Material Modifications
 - Average – 44 days
 - 1 Application for Licensure
 - 268 days**

** Most Applications completed within 180 days

** Most Applications completed within 180 days



Who's Who on the Dental Team

- Crystal Chen, Staff Counsel
- Mary Li, Associate Health Program Advisor
- Amy Krause, Staff Counsel III, Supervisor



Applications for Licensure

- Application
 - Section 1351
 - Rule 1300.51
 - For License Applications:
 - All Exhibits must be filed for review
 - Performance metric – 6 months



Notice of Material Modification

- Section 1352(b), 1354, and Rule 1300.52.4(d)
- Specific categories listed in Rule 1300.52.4(d):
 - (i) Service Area changes;
 - (ii) New health care service plan contract;
 - If Plan proposes to use a new network of providers





Notice of MM (Continued)

- (iii) Any Change in Control;
- (iv) Initial offering of any small employer group contract;
- (v) Plan's initial offering of a POS contract



Notice of MM (Continued)

- (vi) Change of plan name, including addition of a d.b.a
- (vii) Catch-all – A change that would have a material effect on the plan or on its health care service plan operations.

Review of Material Modifications

- Section 1352(b)
 - 20 business days to review
 - At which time, Department will either by order approve, disapprove, suspend or postpone the effectiveness of the Notice
 - Order of Postponement issued:
 - Plan may not implement proposal until a superseding Order of Approval is issued





Amendments

- File Amendment 30 days after a change in information contained in its original application describing the changes
- Types of Amendment filings:
 - All other filings not specifically listed in 1300.52.4(d)
 - Change in Plan personnel (Rule 1300.52.4(b)(ii), Section 1352(c), Rule 1300.52.2)
 - Advertisements

Request for Confidentiality

- Title 28, California Code of Regulations,
 - Rule 1007
- Need to file:
 - Request for Confidentiality
 - Confidential documents
 - Include time frame, and reasons for the time frame
 - File a redacted version of requesting confidentiality on only certain parts of documents





Pre-Filing Conferences

- Purpose:
 - To facilitate a comprehensive initial filing by preliminarily discussing potential filings
 - To allow the Department to ask questions and request specific information be included in the filing
 - Coordinated Review facilitation – i.e. representatives from all divisions included as necessary
 - Discuss Checklists for certain types of filings



General Filing Tips

- Expedited Review Request:
 - Bold and prominent and include requested due date
- Submit Clean and Red-lined copies as necessary
- Exhibit E-1 Tips:
 - More information included, the better.
 - Detailed description of the filing
 - Description of documents included
 - Always include if the filing has been previously approved and if available, provide the approval date and filing number.

Responsive Amendment Tips

- Include Department's comments in Exhibit E-1 and provide answer in E-1, as well as revise the corresponding exhibit
- Include Red-lined and Clean versions of any exhibits that are revised from previous filing
- File separate Request for Confidentiality if responsive amendment contains confidential information
- File executed agreements of contracts





Specific Filing Types

- Service Area Expansion
- Provider Contract
- Change in Plan Personnel
- Grievance Policy
- Administrative Services Agreement
- Subscriber Documents/New Products
- Advertisements
- Mergers and Acquisitions



Service Area Expansions

- Include the following exhibits:
 - Exhibit E-1
 - Exhibit H-1, H-2
 - Exhibit I-1, I-4
 - Exhibits I-5, I-6, as necessary
 - Exhibits CC/DD/EE, as necessary
 - Exhibit HH, as necessary
 - All other exhibits need to be filed only if Plan is proposing new document, or amended versions of previously approved documents for use with the SAE



Provider Contracts

- Pursuant to 1367(h)(1): All contracts must be fair, reasonable and consistent with the objectives of the Knox-Keene Act
 - Consistent with Provider Bill of Rights: Section 1375.7
- Include:
 - Exhibit E-1
 - Exhibit K-1
 - Exhibit K-2, Compliance Chart for new contracts



Change in Plan Personnel

- Section 1352(b)
- Include:
 - Exhibit E-1
 - Exhibit F-1-a: Corporate Information Form, as necessary
 - Exhibit F-1-f: Individual Information Sheet
 - Exhibit L-1
 - Exhibit M-1
 - Exhibit M-2



Administrative Services Agreement

- Address Administrative Capacity with any outsourcing proposals
 - Section 1367(g)
- Include:
 - Exhibit E-1
 - Exhibit N-1
 - Exhibit N-2, Oversight of ASA

EOC revisions/New Products

- EOC revisions
 - Amendment OK if limited to minor co-payment revisions or update to CDT codes
- New Products
 - MM if a new Benefit design with new copayments, or significant number of revisions to copays that are not within previously approved ranges or significant deviation

Flexible Benefit Templates

- Developed in 2005 with CADP
 - For new dental benefit designs to provide for higher member cost-sharing
- 6 Flexible Benefit Products Approved since 2005
- 2 year conditional approval period
- Unconditional approval granted when plans provide actual utilization data



Flexible Benefits Templates (continued)

- Include:
 - Exhibit E-1A (voluntary template)
 - Benefit Savings Analysis
 - Exhibit E-1
 - Exhibit P/Q
 - Exhibit S/T/U
 - Any other exhibits that are changed with the new product





Advertisements

- Section 1352.1 and Section 1361
 - Generally, Plans must file all advertisements for DMHC review 30 days prior to use.
- Include:
 - Exhibit E-1
 - Exhibit V-1
 - Any marketing materials or exhibits that are revised

Mergers or Acquisitions

- File Notice of Material Modification
- Include:
 - Exhibit E-1:
 - Include summary of the change of control
 - Including the background of the entities
 - Pre-merger and post-merger status of the California licensee
 - Include all exhibits that change as a result of the Merger or Acquisition, especially any transition agreements, organization chart



Mergers and Acquisitions

- Department's main focus is on enrollee protection during any Change in Control
- Provide contact information for other state agencies
 - Include the reviewer's name, address, phone number, and email address



Other Emerging Issues:

- Discount Plans
- Language Assistance Regulations
- Never Events
- Denti-Cal, HF Program reimbursement cuts





Discount Plans

- Current status of Discount Plan Regulations:
 - Informal Comment period with Interested Stakeholders
- Formal Comment period – TBD
- First Dental Health – 1st Licensed Discount Dental Plan
- Pending Applications
 - Both Full-service medical discount plans, and Specialized discount plans



Language Assistance Regulation

- July 1, 2008 due date for Policies and Procedures for LAP pursuant to Rule 1300.67.04
 - HMO Help Center/Plan Surveys to review filings
- Provider contract revisions/Other exhibit revisions
 - Rule 1300.67.04(e)(4)
 - Licensing Division to review these exhibits
- January 1, 2009 Implementation date for LAP programs

Emerging Trends (continued)

- New Product Trends
- Never Events
- Denti-Cal, HF Program reimbursement cuts



To wrap-up...

- The more information provided in E-1, the better.
- Please do not hesitate to contact me with any questions
 - (916) 323-1909



Any Questions??

